

## **Disability:IN Comment to File No. 4-787, the Rulemaking Petition to Require Public Companies to Disclose Public Companies' Investments in their Workforce**

**November 1, 2023**

Vanessa Countryman

[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Secretary Securities and Exchange Commission 100 F Street NE

Washington, DC 20549

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Re: Corporate Board Diversity RIN: 3235-AL91

Dear Ms. Countryman,

Disability:IN respectfully submits this letter to the U.S. Securities and Exchange Commission ("SEC") to comment on its consideration of a rule proposal related to corporate board diversity. Disability:IN's Joint Investor Statement represents institutional investors with over \$2.8 trillion AUM to measure their disability inclusive practices and policies. Disability:IN is an affiliate of the Thirty Percent Coalition, a group of institutional investors who represent over \$8 trillion AUM.

For years, research has also illustrated that corporations with diverse leadership teams that are inclusive of gender, race, and ethnicity, and disability outperform their peers.<sup>1</sup> Embracing people with disabilities in the workplace brings companies and shareholders significant material benefits. [According to a report published by Accenture and Disability:IN in November](#), companies that embrace best practices for employing and supporting persons with disabilities achieve 1.6x more revenue, 2.6x more net income, and 2x more economic profit.<sup>2</sup> Given this reality, Disability:IN believes we have a responsibility to shepherd our \$2.8 trillion AUM responsibly by understanding the level of diversity on our current and prospective portfolio company boards.

Despite broad consensus that board diversity data is decision-useful to investors and widespread demand among investors for such information, the current disclosure framework does not address investor needs and is best characterized as disorderly and inefficient. There is no formal, standardized source of racial/ethnic, LGBTQ+ or disability data regarding board composition among U.S. listed companies, and so gathering this information requires investors to spend crucial time, effort, and money to attempt to locate this data.

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<sup>1</sup> [McKinsey & Company: Diversity Wins, 2020](#); Thomson Reuters Foundation: [Global Boardroom Diversity: Legal Findings of Disability and Diversity, 2022](#)

<sup>2</sup> [Accenture: Getting to Equal - The Disability Inclusion Advantage, 2018, 2023](#)

Given the objectives of the SEC to protect investors and maintain fair, orderly, and efficient markets, we respectfully request that the SEC require all companies that trade on U.S. exchanges to disclose diversity metrics in the proxy statement or, if there is no proxy filing, in another appropriate document filed with the SEC.

Additionally, we request that such a rule include provisions to advance transparency, such as:

- Disability disclosure based on voluntary self-identification; and
- Reporting that disaggregates data by the categories in the Nasdaq Rule and supplemented with disability disclosure, in a format like that required by the Nasdaq Rule (i.e. “Board Matrix”). This enables investors to clearly ascertain the level of diversity among directors and facilitates comparability across companies.

Disability:IN appreciates the SEC’s consideration of these comments and would be pleased to discuss them in greater detail. If you have any questions or need any additional information, please contact [Jill Houghton, President & CEO](#).

Sincerely,



Jill Houghton

President & CEO, Disability:IN